

Todd Kremin

From: Robert Trumpy
Sent: Thursday, July 27, 2006 4:55 PM
To: 'Matt Samuel'
Subject: revised biosafe proj
Attachments: Retail proforma 07-27-06.xls

I looked at the expenses critically and increased several categories with the following logic. I now included those expenses that Biosafe would have incurred in running this level of revenue with the assumption that as of 8/1/06 expenses begin to increase with the new team gradually coming on board. The benefit of those added people will marginally be felt in 2006 and reach full value (ie. revenue increase) in 2007. The larger increase in expense for salaries/expenses in 2007 tracks with the increase in volume/revenue for 2007.

Call me if there are still concerns. As a reminder, the "going public" costs are not in any year per Andrews initial instructions.

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4/28/2008

Exhibit 28

Retail Newco
Projected Income Statement

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	2005	2006	2007	2008	2009
	(as if)				
Product Revenue:					
Cholestestol Panel	\$ 277,200	\$ 450,450	\$ 1,145,375	\$ 1,617,000	\$ 1,886,500
TSH	\$ 255,906	\$ 471,192	\$ 1,218,600	\$ 1,706,040	\$ 1,827,900
PSA	\$ 357,000	\$ 541,875	\$ 1,083,750	\$ 1,785,000	\$ 1,912,500
Hemoglobin A1c	\$ 10,360	\$ 77,700	\$ 691,530	\$ 699,300	\$ 932,400
Disease Management-Pharmacy	\$ 552,300	\$ 437,238	\$ 1,288,700	\$ 1,656,900	\$ 2,761,500
Anemia Meter	4,185	209,250	781,200	837,000	627,750
Rapid Allergy	-	-	1,276,800	2,394,000	2,992,500
New Development	-	-	-	1,871,250	3,742,500
Internet	125,887	455,289	865,123	1,038,148	1,245,777
Revenue via Acquisition					
Total Revenue	1,582,838	2,642,994	8,351,078	13,604,638	17,929,327
COGS-Biosafe Products					
COGS via Acquisition	\$ 674,552	\$ 957,206	\$ 3,123,325	\$ 4,825,089	\$ 6,386,897
Royalty to Biosafe	\$ 126,627	\$ 211,439	\$ 668,086	\$ 1,088,371	\$ 1,434,346
Total Gross Margin	781,659	1,474,348	4,559,667	7,691,178	10,108,084
% of Net Revenue	49%	56%	55%	57%	56%
Selling, General and Administrative (non-public assumptions)					
Sales and Commissions	31,657	52,860	167,022	272,093	358,587
Other Salaries	-	150,000	570,000	650,000	730,000
Interim Services from Biosafe					
Rent/Utilities		25,000	120,000	120,000	180,000
Payroll Tax & Benefits		35,500	128,979	161,366	190,503
Professional	5,540	25,000	75,000	81,000	87,480
General Insurance		10,000	30,000	40,000	45,000
Bad Debt @		26,430	83,511	136,046	179,293
Other Expenses		23,930	78,083	120,627	159,672
Advertising/Marketing		26,430	334,043	544,186	717,173
Travel & Entertainment		10,000	35,000	40,000	75,000
Total S, G & A	53,025	435,150	1,621,637	2,165,318	2,722,708
EBITDA	728,634	1,039,198	2,938,030	5,525,860	7,385,376
% of Revenue	46%	39%	35%	41%	41%
Depreciation and Amortization					
EBIT	-	220,000	265,000	315,000	370,000
% of Revenue					
Interest Income		819,198	2,673,030	5,210,860	7,015,376
Interest	728,634	819,198	2,673,030	5,210,860	7,015,376
	46%	31%	32%	38%	39%
Pre Tax Profit (Loss)					
	740,634	819,198	2,730,942	5,221,341	7,043,594
Income Taxes	277,738	307,199	1,024,103	1,958,003	2,641,348
Net Income	462,896	511,999	1,706,838	3,263,338	4,402,246
% of Revenue	29%	19%	20%	24%	25%

Newco Retail
Projected Balance SheetConfidential
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	Annual 2005	Annual 2006	Annual 2007	Annual 2008	Annual 2009
Assets					
Cash		2,895,594	524,073	1,410,901	3,740,632
Accounts Receivable (net of allowance)		377,571	1,193,011	1,943,520	2,561,332
Inventories		100,000	200,000	250,000	2,400,000
Prepaid Expenses		10,000	10,000	10,000	10,000
Refundable Deposits					
Total Current Assets	0	3,383,165	1,927,084	3,614,421	8,711,965
Property, Equip & Cap Devl Costs, net	0	80,000	80,000	95,000	120,000
Goodwill		4,000,000	4,000,000	4,000,000	4,000,000
Product Licenses	0	4,800,000	5,560,000	6,280,000	6,960,000
Total Assets	0	12,263,165	11,567,084	13,989,421	19,791,965
Liabilities					
A/P Trade		121,166	348,247	517,246	677,543
Payroll and Payroll Taxes		100,000	140,000	150,000	160,000
Compliance Accrual		30,000	60,000	90,000	120,000
Notes Payable - Current					
Total Current Liabilities	0	251,166	548,247	757,246	957,543
Other Long Term Liabilities					
Notes Payable - Long Term		0	(2,700,000)	(3,750,000)	(2,550,000)
Total Liabilities	0	251,166	(2,151,753)	(2,992,754)	(1,592,457)
Shareholders Equity					
Common Stock	0	11,500,000	11,500,000	11,500,000	11,500,000
Beg Retained Earnings	0	0	511,999	2,218,837	5,482,175
Current Period Income(Loss)		511,999	1,706,838	3,263,338	4,402,246
Ending Retained Earnings	0	511,999	2,218,837	5,482,175	9,884,422
Total Stockholders Equity	0	12,011,999	13,718,837	16,982,175	21,384,422
Total Liabilities and Stockholders Equity	0	12,263,165	11,567,084	13,989,421	19,791,965

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Newco Retail
Projected Statement of Cash Flow

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	Annual 2005	Annual 2006	Annual 2007	Annual 2008	Annual 2009
Beg. Cash and Reserve for Future Development		0	2,895,594	524,073	1,410,901
Net income (loss)					
Change in working capital (less cash):					
Current assets		511,999	1,706,838	3,263,338	4,402,246
Current liabilities		(487,571)	(915,441)	(800,509)	(2,767,813)
	0	251,166	297,080	208,999	200,297
Depreciation/Amortization	0	220,000	265,000	315,000	370,000
Net PPE decrease (increase) including capitalized R & D	0	(5,100,000)	(1,025,000)	(1,050,000)	(1,075,000)
Goodwill purchase		(4,000,000)			
Issue of Note Payable for License		2,500,000			2,000,000
Repayment of Note Payable		(2,500,000)	(2,700,000)	(1,050,000)	(800,000)
Increase other long term liability					
Issuance of common stock, net of fees	0	11,500,000	0	0	0
Ending Cash and Reserve for Future Development	-	2,895,594	524,073	1,410,901	3,740,632

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Projected Long Term Asset/Liability Work Schedule

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	Annual 2005	Annual 2006	Annual 2007	Annual 2008	Annual 2009
Fixed Assets					
Beginning Balance	0	0	80,000	80,000	95,000
Depreciation/Amort.		(20,000)	(25,000)	(35,000)	(50,000)
Purchases/Cap R&D		100,000	25,000	50,000	75,000
Ending Balance	0	80,000	80,000	95,000	120,000
License					
Beg. Balance	0	0	4,800,000	5,560,000	6,280,000
Amortization	0	(200,000)	(240,000)	(280,000)	(320,000)
New licenses		5,000,000	1,000,000	1,000,000	1,000,000
Ending Balance	0	4,800,000	5,560,000	6,280,000	6,960,000

Projected Capitalization Table

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	Annual 2005	Annual 2006	Annual 2007	Annual 2008	Annual 2009
Beginning Shares Issued/Outstanding		0	12,166,666	12,166,666	12,166,666
Shares Issued During Period - #	0	12,166,666	12,166,666	12,166,666	12,166,666
Ending Share Count	0	12,166,666	12,166,666	12,166,666	12,166,666
Beginning \$ Value at Issued Price		0	12,000,000	12,000,000	12,000,000
Shares Issued During Period - \$					
2,500,000 @ \$ 1.00		2,500,000			
5,000,000 @ \$ 1.00		5,000,000			
1,500,000 @ \$ -		-			
500,000 @ \$ 1.00		500,000			
2,666,666 @ \$ 1.50		4,000,000			
Ending \$ Value at Issued Price	0	12,000,000	12,000,000	12,000,000	12,000,000

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Newco Retail

Volume, Pricing and COGS

Year	Send-In				Rapid tests				Total
	Cholesterol Panel	TSH	PSA	Hemoglobin A1c	Disease Mangt Kits	Anemia Meter	Rapid Allergy	New Development	
2005									
Stores	2,400	4,200	4,200	200	750	100			
Kits per Store/year	6	3	4	4	80	3			
	14,400	12,600	16,800	800	60,000	300			
Unit Price	\$ 19.25	\$ 20.31	\$ 21.25	\$ 12.95	\$ 9.21	\$ 13.95			
Revenue	\$ 277,200	\$ 255,906	\$ 357,000	\$ 10,360	\$ 552,300	\$ 4,185			\$ 1,456,951
COGS	\$ 98,525	\$ 101,836	\$ 126,865	\$ 4,523	\$ 316,800	\$ 825			\$ 649,375
2006									
Stores	3,900	5,800	5,100	1,200	1,900	2,500			
Kits per Store/year	6	4	5	5	25	6			
	23,400	23,200	25,500	6,000	47,500	15,000			
Unit Price	\$ 19.25	\$ 20.31	\$ 21.25	\$ 12.95	\$ 9.21	\$ 13.95			
Revenue	\$ 450,450	\$ 471,192	\$ 541,875	\$ 77,700	\$ 437,238	\$ 209,250			\$ 2,187,705
COGS	\$ 160,103	\$ 187,508	\$ 192,563	\$ 33,924	\$ 250,800	\$ 41,250			\$ 866,148
2007									
Stores	8,500	10,000	8,500	8,900	3,500	14,000	8,000		
Kits per Store/year	7	6	6	6	40	4	8		
	59,500	60,000	51,000	53,400	140,000	56,000	64,000		
Unit Price	\$ 19.25	\$ 20.31	\$ 21.25	\$ 12.95	\$ 9.21	\$ 13.95	\$ 19.95	\$ 24.95	
Revenue	\$ 1,145,375	\$ 1,218,600	\$ 1,083,750	\$ 691,530	\$ 1,288,700	\$ 781,200	\$ 1,276,800	\$ -	\$ 7,485,955
COGS	\$ 407,099	\$ 484,935	\$ 385,127	\$ 301,924	\$ 739,200	\$ 154,000	\$ 478,016	\$ -	\$ 2,950,300
2008									
Stores	12,000	14,000	14,000	9,000	4,500	15,000	15,000	7,500	
Kits per Store/year	7	6	6	6	40	4	8	10	
	84,000	84,000	84,000	54,000	180,000	60,000	120,000	75,000	
Unit Price	\$ 19.25	\$ 20.31	\$ 21.25	\$ 12.95	\$ 9.21	\$ 13.95	\$ 19.95	\$ 24.95	
Revenue	\$ 1,617,000	\$ 1,706,040	\$ 1,785,000	\$ 689,300	\$ 1,656,900	\$ 837,000	\$ 2,394,000	\$ 1,871,250	\$ 12,566,490
COGS	\$ 574,728	\$ 678,909	\$ 634,326	\$ 305,316	\$ 950,400	\$ 165,000	\$ 896,280	\$ 412,500	\$ 4,617,459
2009									
Stores	14,000	15,000	15,000	12,000	10,000	15,000	15,000	15,000	
Kits per Store/year	7	6	6	6	30	3	10	10	
	98,000	90,000	90,000	72,000	300,000	45,000	150,000	150,000	
Unit Price	\$ 19.25	\$ 20.31	\$ 21.25	\$ 12.95	\$ 9.21	\$ 13.95	\$ 19.95	\$ 24.95	
Revenue	\$ 1,886,500	\$ 1,827,900	\$ 1,912,500	\$ 932,400	\$ 2,761,500	\$ 627,750	\$ 2,992,500	\$ 3,742,500	\$ 16,883,550
COGS	\$ 670,516	\$ 727,403	\$ 679,635	\$ 407,088	\$ 1,584,000	\$ 123,750	\$ 1,120,350	\$ 825,000	\$ 6,137,742

Cost of Goods Sold:

Unit COGS:
 Kits (& outbound shipping)
 Lab Processing (if any & net of non-compliance)
 Outsourced Vendor Markup 10%
 Total Unit Cost

Wholesale price
 Gross Margin %

Year	Send-In				Rapid tests				Total
	Cholesterol Panel	TSH	PSA	Hemoglobin A1c	Disease Management	Anemia	Rapid Allergy	New Development	
2005									
Stores	2,400	4,200	4,200	200	750	100			
Kits per Store/year	6	3	4	4	80	3			
	14,400	12,600	16,800	800	60,000	300			
Unit Price	\$ 19.25	\$ 20.31	\$ 21.25	\$ 12.95	\$ 9.21	\$ 13.95			
Revenue	\$ 277,200	\$ 255,906	\$ 357,000	\$ 10,360	\$ 552,300	\$ 4,185			\$ 1,456,951
COGS	\$ 98,525	\$ 101,836	\$ 126,865	\$ 4,523	\$ 316,800	\$ 825			\$ 649,375
2006									
Stores	3,900	5,800	5,100	1,200	1,900	2,500			
Kits per Store/year	6	4	5	5	25	6			
	23,400	23,200	25,500	6,000	47,500	15,000			
Unit Price	\$ 19.25	\$ 20.31	\$ 21.25	\$ 12.95	\$ 9.21	\$ 13.95			
Revenue	\$ 450,450	\$ 471,192	\$ 541,875	\$ 77,700	\$ 437,238	\$ 209,250			\$ 2,187,705
COGS	\$ 160,103	\$ 187,508	\$ 192,563	\$ 33,924	\$ 250,800	\$ 41,250			\$ 866,148
2007									
Stores	8,500	10,000	8,500	8,900	3,500	14,000	8,000		
Kits per Store/year	7	6	6	6	40	4	8		
	59,500	60,000	51,000	53,400	140,000	56,000	64,000		
Unit Price	\$ 19.25	\$ 20.31	\$ 21.25	\$ 12.95	\$ 9.21	\$ 13.95	\$ 19.95	\$ 24.95	
Revenue	\$ 1,145,375	\$ 1,218,600	\$ 1,083,750	\$ 691,530	\$ 1,288,700	\$ 781,200	\$ 1,276,800	\$ -	\$ 7,485,955
COGS	\$ 407,099	\$ 484,935	\$ 385,127	\$ 301,924	\$ 739,200	\$ 154,000	\$ 478,016	\$ -	\$ 2,950,300
2008									
Stores	12,000	14,000	14,000	9,000	4,500	15,000	15,000	7,500	
Kits per Store/year	7	6	6	6	40	4	8	10	
	84,000	84,000	84,000	54,000	180,000	60,000	120,000	75,000	
Unit Price	\$ 19.25	\$ 20.31	\$ 21.25	\$ 12.95	\$ 9.21	\$ 13.95	\$ 19.95	\$ 24.95	
Revenue	\$ 1,617,000	\$ 1,706,040	\$ 1,785,000	\$ 689,300	\$ 1,656,900	\$ 837,000	\$ 2,394,000	\$ 1,871,250	\$ 12,566,490
COGS	\$ 574,728	\$ 678,909	\$ 634,326	\$ 305,316	\$ 950,400	\$ 165,000	\$ 896,280	\$ 412,500	\$ 4,617,459
2009									
Stores	14,000	15,000	15,000	12,000	10,000	15,000	15,000	15,000	
Kits per Store/year	7	6	6	6	30	3	10	10	
	98,000	90,000	90,000	72,000	300,000	45,000	150,000	150,000	
Unit Price	\$ 19.25	\$ 20.31	\$ 21.25	\$ 12.95	\$ 9.21	\$ 13.95	\$ 19.95	\$ 24.95	
Revenue	\$ 1,886,500	\$ 1,827,900	\$ 1,912,500	\$ 932,400	\$ 2,761,500	\$ 627,750	\$ 2,992,500	\$ 3,742,500	\$ 16,883,550
COGS	\$ 670,516	\$ 727,403	\$ 679,635	\$ 407,088	\$ 1,584,000	\$ 123,750	\$ 1,120,350	\$ 825,000	\$ 6,137,742

**Newco Retail
Employee Listing**

Position	2005	2006	2007	2008
President		50,000	200,000	200,000
Chief Accountant			75,000	75,000
VP Sales			135,000	135,000
Brand Manager(s)		80,000	80,000	160,000
Sales Assistant		20,000	45,000	45,000
Admin			35,000	35,000
Total	-	150,000	570,000	650,000

2009

200,000

75,000

135,000

240,000

45,000

35,000

730,000